

PUBLIC DISCLOSURE

December 3, 2012

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

THE NEEDHAM BANK

Cert # 26483

**1063 GREAT PLAIN AVENUE
NEEDHAM, MA 02492**

**Division of Banks
1000 Washington Street
Boston, MA 02118**

| |
|--|
| <p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p> |
|--|

TABLE OF CONTENTS

| | | |
|------|---|-----|
| I. | General Information..... | 1 |
| II. | Institution CRA Rating | |
| | a. Overall CRA Rating..... | 1 |
| | b. Scope of the Examination | 2 |
| | c. Description of the Institution..... | 4 |
| | d. Description of the Assessment Area..... | 5 |
| | e. Conclusions With Respect to Performance Tests..... | 7 |
| III. | Appendix | |
| | Appendix A: General Definitions..... | A-1 |

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **The Needham Bank (or the Bank)**, prepared by the Division, the institution's supervisory agency as of **December 3, 2012**. The agency evaluates performance in the assessment area as it is defined by the institution, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts Regulation 209 CMR 46.00.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory."

An institution in this group has a reasonable record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The assigned rating is based on the results of two performance tests: the Lending Test and the Community Development Test. The Bank's performance under each of these two tests is summarized below:

Lending Test: "Satisfactory"

- The Needham Bank's loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and credit needs of its assessment area.
- A majority (54.1 percent) of the Bank's residential loans and small business loans are inside the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, an adequate penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The geographic distribution of loans reflects an adequate dispersion throughout the assessment area.
- The Bank has not received any CRA-related complaints since the last CRA evaluation.

Community Development Test: "Satisfactory"

The institution demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, considering its capacity and the need and availability of such opportunities for community development in the assessment area.

SCOPE OF THE EXAMINATION

The Division conducted this evaluation using Intermediate Small Bank (ISB) procedures. An ISB is an institution with assets of at least \$290 million as of December 31 of both of the prior two calendar years, and less than \$1.160 billion as of December 31 of either of the prior two calendar years. ISB procedures include two performance tests: the Lending Test and the Community Development Test. This evaluation considered the Bank's lending and community development activities since the last CRA evaluation dated November 16, 2010 through December 3, 2012. The data and applicable timeframes for the Lending Test and the Community Development Test are discussed below.

The Bank is primarily a residential lender as reflected in the Bank's most recent Consolidated Report of Condition and Income (Call Report) as of September 30, 2012, which shows that 63.6 percent of the Bank's loan portfolio is residential. For purposes of this evaluation, greater emphasis is placed on the Bank's residential lending performance. Small farm loans were not considered in this analysis since the Bank did not make any small farm loans during the evaluation period. Consumer lending is not included in this analysis as it accounts for a minor portion of the Bank's overall lending activity.

The Lending Test focused on home mortgage and small business lending. Home mortgage lending data analyzed included full-year data from January 1, 2011 through December 31, 2011 (2011) and data from January 1, 2012 through September 30, 2012 (YTD2012). Information related to home mortgage lending was derived from the Loan Application Registers (LARs) maintained by the Bank, pursuant to the Home Mortgage Disclosure Act (HMDA). The LARs contain data about home purchase and home improvement loans, including refinancing, of one-to four-family and multifamily properties (five or more units). The evaluation emphasized the Bank's home mortgage lending performance in 2011 as this is the most recent year for which aggregate lending data is available. The Bank's home mortgage lending performance is compared with aggregate HMDA data. Aggregate lending data reflects the lending activity of all HMDA reporting lenders that originated at least a single home mortgage in the Bank's designated assessment area. The Bank's home mortgage lending performance was also compared with demographic data. Home mortgage lending data for 2012 is referenced in the narrative to illustrate trends in the Bank's lending data.

Small business lending data was also analyzed. Small business loans for the purpose of this evaluation are defined as commercial real estate loans and commercial and industrial loans with original balances of \$1 million or less. The Bank's small business loan data was derived from a sample of originated business loans in 2011. As an ISB, the Bank is not required to collect and report small business loan data. The Bank's 2011 small business lending performance is focused on as this is the most recent full-year lending data available. The Bank's small business lending performance is compared to pertinent 2011 demographic information.

The Community Development Test included an analysis of the Bank's qualified community development loans, investments, and services for the period of November 16, 2010 through December 3, 2012. Qualified community development grants and donations for the same time period were also included. Qualified equity investments currently held by the Bank were also included regardless of investment date. The investments were valued at the September 30, 2012 book value.

Demographic information is from the 2000 U.S. Census unless otherwise noted. Financial data was derived from the September 30, 2012 Report of Condition and Income (Call Report).

PERFORMANCE CONTEXT

Description of Institution

The Needham Bank, a Massachusetts state-chartered mutually-owned bank, opened for business on May 9, 1892. In addition to its main office, located at 1063 Great Plain Avenue in Needham, the Bank operates four branch offices located in Dedham, Medfield, Wellesley and Westwood. The main office and all four branch offices are located in upper-income census tracts. All branches are equipped with 24-hour automated teller machines (ATMs) and three of the five locations have drive-up facilities.

The Needham Bank is a full-service financial institution offering a wide variety of products and services. The Bank offers a variety of residential mortgage loans including fixed, adjustable and jumbo rate mortgages to purchase, improve or refinance a home; a first-time homebuyer program; home equity lines of credit; and home equity loans. The Bank offers commercial and small business loans for the purchase or refinance of commercial real estate loans, business lines of credit, term loans and construction loans. The Bank also offers deposit products and services, including checking accounts, savings accounts, money market accounts, certificates of deposit, and ATM and debit cards. Services for businesses include business on-line banking and remote deposit capture. Other services include telephone banking 24/7 for balance inquiry, transferring funds between accounts and reviewing recent activity; online banking with bill pay and electronic statements, online account opening and online mortgage applications; mobile banking, text banking and remote deposit capture.

As of September 30, 2012, the Bank had total assets of \$1.1 billion and total deposits of \$873 million. Total loans were \$901 million and represented 79.7 percent of total assets. The Bank's net loan-to-deposit ratio as of the same date was 101.6 percent. Since the last CRA evaluation, the Bank's assets have decreased 2.5 percent, deposits have grown 6.9 percent, and net loans have decreased 6.7 percent.

Table 1 illustrates the current distribution of the Bank's loan portfolio.

| Table 1 | | |
|---|------------------------------------|-----------------------------------|
| Loan Distribution as of September 30, 2012 | | |
| Loan Type | Dollar Amount \$(000's) | Percent of Total Loans |
| Construction and Land Development | 172,962 | 19.2 |
| 1-4 Family Residential | 572,650 | 63.6 |
| Multi-Family (5 or more) Residential | 37,691 | 4.2 |
| Commercial | 89,653 | 10.0 |
| Total Real Estate Loans | 872,956 | 97.0 |
| Commercial and Industrial | 25,281 | 2.8 |
| Consumer | 2,366 | 0.2 |
| Loans and Leases, net of unearned income | (2) | 0.0 |
| Total Loans | 900,601 | 100.0 |

Source: Report of Condition and Income (Call Reports) September 30, 2012

The Needham Bank is primarily a residential lender with a majority of the loan portfolio secured by residential properties. As noted in Table 1, approximately 63.6 percent of the loans are secured by residential one to four-family properties, followed by construction and land development at 19.2 percent, and multi-family residential loans at 4.2 percent. Loans secured by commercial real estate accounted for 10.0 percent of the loan portfolio, while commercial and

industrial loans represent 2.8 percent of loans. Total real estate loans account for 97.0 percent of the total loan portfolio.

The Division last evaluated the Bank's CRA performance as of November 15, 2010 and assigned a rating of "Satisfactory."

There are no apparent financial or legal impediments that would limit the Bank's ability to help meet the credit needs of its assessment area. Based upon the Bank's asset size, product offerings, and branch network, its ability to meet the community's credit needs remains strong.

Description of Assessment Area

The CRA requires financial institutions to define an assessment area within which its CRA performance will be evaluated. The Bank's assessment area as currently defined meets the technical requirements of the CRA regulation since it: (1) consists of one or more political subdivisions, (2) includes the geographies where the Bank has its main office, branches, and deposit-taking ATMs, as well as the surrounding geographies in which the institution originated a substantial portion of its loans, (3) consists of whole census tracts, (4) does not extend substantially beyond state boundaries, unless otherwise permitted by the regulation, (5) does not reflect illegal discrimination, and (6) does not arbitrarily exclude low- and moderate-income areas.

The Bank's assessment area contains nine cities and towns located in Middlesex and Norfolk Counties. The following cities and towns are in Norfolk County: Dedham, Dover, Medfield, Needham, Wellesley and Westwood, all located in the Boston-Quincy MSA. Middlesex County's cities and towns are Natick, Newton and Weston, all located in the Cambridge-Newton-Framingham MSA. The City of Newton has been added to the assessment area since the previous examination.

The assessment area as currently defined meets the technical requirements of the regulation as it includes whole geographies and does not arbitrarily exclude low- or moderate-income areas or expand beyond state boundaries.

Refer to Table 2 for pertinent demographic information about the assessment area.

| Table 2 Demographic Information | | | | | |
|---|---------|---------------|------------------------|------------------|-----------------|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # |
| Geographies (Census Tracts) | 49 | | | 26.5 | 73.5 |
| Population by Geography | 238,404 | | | 25.2 | 74.8 |
| Owner-Occupied Housing by Geography | 66,648 | | | 23.9 | 76.1 |
| Business by Geography | 34,603 | | | 24.0 | 76.0 |
| Family Distribution by Income Level | 61,562 | 9.6 | 11.0 | 16.9 | 62.5 |
| Distribution of Low and Moderate Income Families throughout the Assessment Area | 12,693 | | | 39.0 | 61.0 |
| Median Family Income (MFI) | | \$111,494 | Median Housing Value | | \$409,192 |
| HUD Adjusted MFI for 2011 (Norfolk County) | | \$87,600 | Unemployment Rate | | 2.7% |
| HUD Adjusted MFI for 2011 (Middlesex County) | | \$105,000 | (2000 US Census) | | |
| Households Below Poverty Level | | 4.0% | October 2012 Bureau of | | 6.2% |
| Families Below Poverty Level | | 2.2% | Labor Statistics | | |

Source: 2000 US Census Data, 2011 HUD updated MFI, 2011 Business Geo-demographic Data

As the data in Table 2 shows, the Bank's assessment area consists of 49 census tracts, of which 13 are middle-income census tracts (26.5 percent) and 36 are upper-income census tracts (73.5 percent). There are no low- or moderate-income census tracts.

The assessment area has a total population of 238,404 residing in 61,562 family households. Of all family households in the area, 2.2 percent are families below the poverty level. Of the 86,909 households, 4.0 percent are households that are below the poverty level.

The assessment area consists of 89,128 total housing units, of which 66,648 or 74.8 percent are owner-occupied, 20,205 or 22.7 percent are rental units and 2,275 or 2.5 percent are vacant units. The median housing value in 2000 for the assessment area was \$409,192, and the median age of the housing stock was 49 years. Recent figures from the Bankers and Tradesman show that during the examination period, the assessment area's median home prices ranged from a low of \$325,000 in Dedham to \$1.1 million in Weston.

Data obtained from the 2011 Business Geo-demographic Data show there are 34,603 businesses in the assessment area, of which 67.1 percent have gross annual revenues of \$1 million or less, 3.5 percent have gross annual revenues greater than \$1 million, and the remaining 29.4 percent have unknown revenues. The highest proportion of these business establishments are engaged in the services industry (46.7 percent). Businesses involved in non-classifiable establishments (21.8 percent), and finance, insurance and real estate (10.1 percent) make up a significant share of the establishments. In terms of employees, approximately 61.7 percent of the area's businesses employ four or fewer people. Included among the largest employers in the assessment area are Parametric Technology Corporation, Coca-Cola Bottling Company, Boston Scientific Corporation, Leonard Morse, and Sun Capital Advisers LLC.

The unemployment rate statewide for Massachusetts is 6.2 percent according to October 2012 statistics gathered from the Bureau of Labor Statistics. This represents a decrease as compared to the annual percentage of 2011, where the unemployment rate in Massachusetts was 7.4 percent. The unemployment rate for the Middlesex County for 2011 was 5.1 percent and for Norfolk County the unemployment rate was 5.3 percent which shows slightly lower unemployment rates for the Bank's area compared to that of Massachusetts as a whole. As of October 2012, the unemployment statistics for the towns in the assessment area per the Bureau of Labor Statistics were: Dedham 5.5 percent, Dover 3.7 percent, Medfield 4.5 percent, Needham 4.4 percent, Wellesley 4.2 percent, Westwood 4.8 percent, Natick 4.5 percent, Newton 4.1 percent and Weston 3.7 percent.

The Bank faces strong competition from other financial institutions that originated loans within the assessment area. These institutions range in size from small credit unions and mortgage companies with single office locations to the largest banks in New England. Among the more prominent lenders competing with the Bank are Dedham Savings Bank, Bank of America, Middlesex Savings Bank, and Brookline Bank. The 2011 aggregate lending data shows that 388 lenders originated 24,449 residential mortgage loans in the Bank's assessment area. The Needham Bank ranked 23rd with a 1.03 percent market share. The top three lenders were Bank of America with 7.8 percent, Wells Fargo Bank with 6.9 percent and Mortgage Master with 6.3 percent.

The assessment area has no one primary credit need. The area's residents need a variety of retail loan products to meet personal needs and an array of home financing programs for the purchase, construction, improvement, or refinance of a residence. The area's business base also requires numerous commercial credit options to meet a wide variety of financing purposes.

Community Contact

As part of the evaluation process, third parties active in the assessment area are contacted to assist in assessing the credit and community development needs of the community. The information obtained helps to determine whether local financial institutions are responsive to the credit and community development needs of the communities, and what credit and community development opportunities, if any, are available.

A community contact was conducted with a local housing organization that provides affordable housing to low-income individuals and families, including elderly and disabled residents. The contact stated there is also a need for services and financial assistance to lower-income families. The contact mentioned the organization would like to see financial institutions provide financial programs to help individuals build good credit. The contact also mentioned a need to make the downtown area more accessible in order to keep small businesses from leaving. Overall, the contact was pleased with the responsiveness of the local community banks to the area's credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

LENDING TEST

The Lending Test considers the institution's performance pursuant to the following criteria: loan-to-deposit ("LTD") ratio, assessment area concentration, borrower profile, geographic distribution, and response to CRA complaints.

The Bank's overall performance with respect to the Lending Test is Satisfactory. The following sections discuss the analysis and conclusions regarding the Bank's performance under each criterion.

1. LOAN-TO-DEPOSIT (LTD) ANALYSIS

This performance criterion determines what percentage of the Bank's deposit base is reinvested in the form of loans and evaluates its appropriateness. The Bank's net loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition and the assessment area's credit needs.

The Bank's net LTD ratio is 101.6 percent as of September 30, 2012. A review of the Bank's quarterly net LTD ratios for the last eight quarters since the prior CRA evaluation was conducted. The quarters reviewed include those ending December 31, 2010 through September 30, 2012. These ratios are based on total loans, net of unearned income and net of the allowance for loan and lease losses, as a percentage of total deposits.

The Bank's average net LTD ratio over the period reviewed was 105.8 percent. The net LTD ratio has fluctuated over the last eight quarters, from a low of 99.6 percent (as of June 30, 2012) to a high of 116.4 percent (as of December 31, 2010). During this timeframe, net loans have decreased 6.7 percent and deposits have grown 6.9 percent.

For comparison purposes, the Bank's average net LTD ratio was compared against the average net LTD ratios of three similarly situated institutions for the same time period. These three institutions are similar in terms of asset size and loan portfolio composition.

| Table 3 | | |
|--|--|---|
| Peer Group Loan-to-Deposit Comparison | | |
| Bank Name | Total Assets \$('000) as of 9/30/12 | Average Net LTD Ratio 12/31/10 through 9/30/12 |
| Hingham Institution for Savings | 1,193,448 | 108.3 |
| Dedham Institution for Savings | 1,133,780 | 79.4 |
| The Needham Bank | 1,130,482 | 105.8 |
| Watertown Savings Bank | 1,069,894 | 59.2 |

Source: FFIEC Report of Condition and Income (Call Reports), September 30, 2012

As shown in Table 3, the three other institutions' average quarterly net LTD ratios ranged between 59.2 percent and 108.3 percent. At 105.8 percent, the Bank's average net LTD is less than one of the similarly situated institutions and higher than two of the other financial institutions.

During the examination period the Bank purchased 16 loans totaling \$9.9 million from Belmont Savings Bank. The Bank also sold one loan totaling \$315,000 to the Federal Loan Home Bank. The Bank is a member of the Federal Home Loan Bank system and borrows funds to support additional loan commitments. This, in addition to the Bank's LTD ratio, demonstrates its willingness to reinvest in the community through its lending services.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)

This performance criterion evaluates whether the Bank is meeting the credit needs within its assessment area. The analysis includes both residential and small business loans.

Based on a review of home loan and small business data, a majority (54.1 percent) of the Bank's lending activity occurs within the institution's assessment area. Table 4 illustrates the Bank's record of extending residential mortgage loans and small business loans inside and outside the assessment area by number and dollar amount over the period reviewed.

| Table 4 Distribution of Loans Inside and Outside of the Assessment Area | | | | | | | | | | |
|---|-----------------|------|---------|------|-------|-----------------------|------|---------|------|---------|
| Loan Category or Type | Number of Loans | | | | | Dollar Volume \$(000) | | | | |
| | Inside | | Outside | | Total | Inside | | Outside | | Total |
| | # | % | # | % | | \$ | % | \$ | % | |
| 2011 | | | | | | | | | | |
| Home Purchase | 121 | 58.2 | 87 | 41.8 | 208 | 98,996 | 65.3 | 52,568 | 34.7 | 151,564 |
| Refinance | 42 | 60.0 | 28 | 40.0 | 70 | 20,803 | 58.9 | 14,539 | 41.1 | 35,342 |
| Home Improvement | 26 | 52.0 | 24 | 48.0 | 50 | 19,669 | 65.6 | 10,313 | 34.4 | 29,982 |
| Total | 189 | 57.6 | 139 | 42.4 | 328 | 139,468 | 64.3 | 77,420 | 35.7 | 216,888 |
| YTD2012 | | | | | | | | | | |
| Home Purchase | 65 | 45.4 | 78 | 54.6 | 143 | 61,625 | 52.1 | 56,660 | 47.9 | 118,285 |
| Refinance | 29 | 47.5 | 32 | 52.5 | 61 | 13,199 | 41.1 | 18,927 | 58.9 | 32,126 |
| Home Improvement | 27 | 69.2 | 12 | 30.8 | 39 | 22,350 | 49.5 | 22,824 | 50.5 | 45,174 |
| Total | 121 | 49.8 | 122 | 50.2 | 243 | 97,174 | 50.0 | 98,411 | 50.0 | 195,585 |
| Total Residential Loans | 310 | 54.3 | 261 | 45.7 | 571 | 236,642 | 57.4 | 175,831 | 42.6 | 412,473 |
| Small Business 2011 | 7 | 50.0 | 7 | 50.0 | 14 | 573 | 35.1 | 1,058 | 64.9 | 1,631 |
| Small Business 2012 | 6 | 50.0 | 6 | 50.0 | 12 | 1,888 | 62.6 | 1,129 | 37.4 | 3,017 |
| Total Small Business | 13 | 50.0 | 13 | 50.0 | 26 | 2,461 | 52.9 | 2,187 | 47.1 | 4,648 |
| Grand Total | 323 | 54.1 | 274 | 45.9 | 597 | 239,103 | 57.3 | 178,018 | 42.7 | 417,121 |
| Source: 2011 and YTD2012 HMDA LARs and a Sample of the Bank's 2011 and YTD2012 Small Business Loans | | | | | | | | | | |

Source: 2011 and YTD2012 HMDA LARs and a Sample of the Bank's 2011 and YTD2012 Small Business Loans

Residential Lending:

As shown in Table 4, the Bank originated 310 home loans totaling \$236.6 million in the assessment area during the evaluation period. This represents 54.3 percent of the total number of residential loans originated by the Bank and 57.4 percent by dollar amount. It is noted for YTD2012 mortgage lending in the assessment area is slightly below a majority at 49.8 percent. As it is not a full year, it was not weighed as heavily, but it is presented to show a potential trend.

The distribution of loans by number is weighted more in this analysis, as the number of loans correlates more closely to the number of individuals or families that were able to obtain home mortgage loans and is not skewed by large dollar amounts inside or outside the assessment area.

Small Business Lending

As shown in Table 5, the Bank originated 50.0 percent of its small business loans by number, and 52.9 percent by dollar amount inside the assessment area. The Bank's originated loans totaled \$4.6 million, of which \$2.4 million was in the Bank's assessment area.

3. BORROWER PROFILE

This performance criterion evaluates the distribution of the Bank's residential and small business loans based on borrower characteristics. Analyses were conducted of the Bank's residential mortgage loans inside the assessment area based on borrower income and the Bank's small business loans inside the assessment area based on size of business. For residential lending, emphasis is placed on loans to low- and moderate-income borrowers, and for small business lending, emphasis is placed on loans to businesses with gross annual revenues (GARs) of \$1 million or less.

Overall, the distribution of loans reflected an adequate penetration among individuals of different income levels and businesses of different sizes, particularly low- and moderate-income borrowers and businesses with GARs of \$1 million or less.

Residential Lending:

Residential lending data was reviewed to assess how well the Bank is addressing the housing credit needs of the area's low-, moderate-, middle-, and upper-income residents. Special consideration is placed on the Bank's record of lending to low- and moderate-income borrowers residing in the assessment area. See Table 5 for information concerning the distribution of loans by borrower income. The Bank demonstrated an adequate penetration of residential loans to borrowers of different income levels in the assessment area.

| Table 5 Distribution of HMDA Loans by Borrower Income (Excludes borrowers for which income is not available) | | | | | | | | | |
|---|------------------------|---------------------------------|------------|-------------|-------------|-------------------------------------|------------|-------------|-------------|
| Loan Category | # of Bank Loans | Percent of Bank Loans | | | | Percent of Aggregate Lending | | | |
| | | Low | Moderate | Middle | Upper | Low | Moderate | Middle | Upper |
| 2011 | | | | | | | | | |
| Home Purchase | 64 | 3.1 | 7.8 | 14.1 | 75.0 | 3.6 | 9.2 | 20.5 | 66.7 |
| Home Improvement | 18 | 0.0 | 11.1 | 11.1 | 77.8 | 3.4 | 11.6 | 20.1 | 64.9 |
| Refinance | 37 | 0.0 | 8.1 | 16.2 | 75.7 | 1.5 | 7.5 | 18.2 | 72.8 |
| Total | 119 | 1.7 | 8.4 | 14.3 | 75.6 | 2.0 | 8.0 | 18.7 | 71.3 |
| YTD2012 | | | | | | | | | |
| Home Purchase | 31 | 0.0 | 3.2 | 3.2 | 93.6 | | | | |
| Home Improvement | 23 | 0.0 | 4.3 | 4.3 | 91.4 | | | | |
| Refinance | 26 | 0.0 | 3.8 | 7.7 | 88.5 | | | | |
| Total | 80 | 0.0 | 3.7 | 5.0 | 91.3 | | | | |
| Grand Total | 199 | 1.0 | 6.5 | 10.6 | 81.9 | | | | |
| Demographics | # | Distribution of Families | | | | | | | |
| | | Low | Moderate | Middle | Upper | | | | |
| Families | 61,562 | 9.6 | 11.0 | 16.9 | 62.5 | | | | |

Source: 2011 and YTD2012 HMDA LARs, HMDA Aggregate for 2011 and 2000 US Census Data

Table 5 shows that in 2011 the upper-income borrowers accounted for the highest share of loans in each of the loan categories and the highest single share of total loans. The percentage of loans to the upper-income borrowers was significantly higher than the percentage of upper-income

families in the area. The strong penetration in upper-income borrowers is not unexpected, considering that 62.5 percent of the area's families are upper-income. In addition, the aggregate lending was highest to upper-income borrowers at 71.3 percent. Middle-income borrowers accounted for the next highest percentage of total loans as well as the next highest percentage in home loan categories loans. The percentage of loans to the middle-income borrowers was lower than the demographics. Moderate-income borrowers accounted for 8.4 percent of the loan volume, lower than the percentage of moderate-income families at 11.0 percent. Low-income borrowers accounted for the lowest share of total loans. However, the area's high housing costs limits the number of borrowers in this income category that can realistically qualify for home financing, particularly in the home purchase category.

As reflected in Table 5 for 2011, the Bank's distribution of loans to low-income borrowers, at 1.7 percent, is below the aggregate of 2.0 percent. It is noted that lending to low-income borrowers was significantly lower than the percentage of low-income families (9.6 percent) in the area. However, for a significant portion of these low-income families qualifying for home mortgage loans is difficult, given the current economic environment. According to 2000 U.S. Census data, 4.0 percent of all households in the assessment area are below the poverty level and would have difficulty in seeking home financing. In addition, home purchase prices in the area undoubtedly present an obstacle in achieving homeownership for many low-income families.

In 2011, the Bank originated 8.4 percent of total loans to moderate-income borrowers, which was higher than the aggregate of 8.0 percent, but was below the percentage of moderate-income families at 11.0 percent.

In YTD2012, the distribution of home loans among the borrower income categories was comparable to 2011, in that upper-income borrowers accounted for the majority of the home loans. There were no loans originated to low-income borrowers in this time period. As it is not a full year, the information was presented for purposes of noting trends. It is also noted, due to the low level of lending, fewer than two loans originated in this income category would raise performance to an adequate level.

Small Business Lending:

The Bank's small business lending activity, overall, reflects reasonable penetration among businesses of different sizes, particularly to those with GARs of \$1 million or less. Table 6 details the Bank's 2011 distribution of lending to businesses of different sizes compared to the percentage of businesses in the assessment area.

| Table 6 | | | | | |
|--|------------------------|------------------------|--------------|------------------|--------------|
| Distribution of Small Business Loans by Business Size | | | | | |
| Gross Annual Revenues ('000s) | % of Businesses | 2011 Bank Loans | | | |
| | | # | % | \$ ('000) | % |
| ≤ \$1,000 | 67.1 | 5 | 71.4 | 413 | 72.1 |
| > \$1,000 | 3.5 | 2 | 28.6 | 160 | 27.9 |
| GAR Not Reported | 29.4 | 0 | 0.0 | 0 | 0.0 |
| Total | 100.0 | 7 | 100.0 | 573 | 100.0 |

Source: Sample of the Bank's 2011 Small Business Loans and 2011 Business Geo-demographic Data

As shown in Table 6, the Bank made 71.4 percent of all small business loans to businesses with GAR of \$1 million or less in 2011, which exceeds the percentage of businesses in that size category at 67.1 percent.

Additionally, an analysis was performed by dollar amount of the loan, as loan amount is used as a proxy for business size based on the assumption that the smaller the loan amount, the smaller the business receiving credit. Refer to Table 7 for further information regarding this analysis.

| Table 7 | | | | |
|--|-------------|--------------|-----------------|--------------|
| Distribution of Small Business Loans by Loan Size | | | | |
| Loan Size (000s) | 2011 | | | |
| | # | % | \$ (000) | % |
| ≤ \$100 | 5 | 71.4 | 236 | 41.1 |
| > \$100 and ≤ \$250 | 2 | 28.6 | 337 | 58.9 |
| > \$250 and ≤ \$1,000 | 0 | 0.0 | 0 | 0.0 |
| Total | 7 | 100.0 | 573 | 100.0 |

Source: Sample of the Bank's 2011 Small Business Loans

During 2011, a majority of the Bank's small business loans (71.4 percent) were in amounts less than \$100,000 and 28.6 percent were in amounts between \$100,000 and 250,000.

Considering the low volume of small business lending, this performance is reasonable.

4. GEOGRAPHIC DISTRIBUTION

This criterion evaluates the distribution of the Bank's loans within the assessment area by census tract income level, with emphasis on lending in low- and moderate-income census tracts.

As mentioned previously under the Description of Assessment Area, the Bank's assessment area includes no low- or moderate-income census tracts. Due to this fact, the Bank's performance pursuant to this criterion was considered to weigh little in the overall rating of this examination.

Residential Lending

The Bank's distribution of lending for 2011 showed a slightly higher concentration of lending (88 percent vs. 79 percent) in the upper-income census tracts than the lending distribution of the aggregate. As previously noted, all of the Bank's branches are in upper-income census tracts.

Small Business Lending

The distribution of lending for 2011 was consistent with the distribution of businesses with 28.6 percent of small business lending occurring in the middle-income census tracts (24 percent of the businesses) and 71.4 percent in upper-income tracts (76 of businesses).

5. RESPONSE TO CRA COMPLAINTS AND FAIR LENDING

The Bank has not received any CRA-related complaints during the evaluation period. As a result, this criterion was not subject to further analysis, and does not bear any weight when arriving at a Lending Test rating.

Fair Lending Policies and Procedures

The Division provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 2.3-101.

The Bank has a written fair lending policy. All employees are provided training appropriate to the job description and responsibilities in fair lending issues. Annual fair lending training is given to the Board of Directors. All denied loans receive a second review.

MINORITY APPLICATION FLOW

According to the 2000 U.S. Census Data, the Bank's assessment area contained a total population of 238,404 individuals, of which 9.9 percent are minorities. The assessment area's minority and ethnic population is 1.4 percent Black/African American, 5.2 percent Asian, 0.0 percent American Indian, 0.0 percent Hawaiian/Pacific Islander, 2.0 percent Hispanic or Latino and 1.3 percent other.

For 2011 and YTD2012, the Bank received 411 HMDA reportable loan applications from within its assessment area. Of these applications, 22 or 5.4 percent were received from minority applicants; 15 or 68.2 percent resulted in originations. For the same time period, the Bank also received 6 applications or 1.5 percent from ethnic groups of Hispanic origin within its assessment area, of which 3 or 50.0 percent were originated.

The Bank's level of lending was compared with that of the aggregate's lending performance levels for the most recent year that data was available, the year 2011. The comparison of this data assists in deriving reasonable expectations for the rate of applications the Bank received from minority residential loan applicants. Refer to Table 8 for information on the Bank's minority application flow as well as the aggregate lenders (excluding the Bank) in the Bank's assessment area.

| Table 8 - MINORITY APPLICATION FLOW | | | | | | | | |
|--|------------------|--------------|----------------------------|---------------|---------------------|---------------|-------------------|---------------|
| RACE | Bank 2011 | | 2011 Aggregate Data | | Bank YTD2012 | | Bank TOTAL | |
| | # | % | # | % | # | % | # | % |
| American Indian/ Alaska Native | 0 | 0.0 | 15 | 0.1 | 0 | 0.0 | 0 | 0.0 |
| Asian | 7 | 2.8 | 1,762 | 7.3 | 6 | 3.8 | 13 | 3.2 |
| Black/ African American | 1 | 0.4 | 159 | 0.7 | 2 | 1.3 | 3 | 0.7 |
| Hawaiian/Pac Isl. | 0 | 0.0 | 11 | 0.1 | 0 | 0.0 | 0 | 0.0 |
| 2 or more Minority | 0 | 0.0 | 2 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Joint Race (White/Minority) | 5 | 2.0 | 408 | 1.7 | 1 | 0.6 | 6 | 1.5 |
| Total Minority | 13 | 5.2 | 2,357 | 9.9 | 9 | 5.7 | 22 | 5.4 |
| White | 126 | 50.0 | 15,443 | 63.8 | 92 | 57.9 | 218 | 53.0 |
| Race Not Available | 113 | 44.8 | 6,397 | 26.4 | 58 | 36.5 | 171 | 41.6 |
| Total | 252 | 100.0 | 24,197 | *100.0 | 159 | *100.0 | 411 | 100.0 |
| ETHNICITY | | | | | | | | |
| Hispanic or Latino | 1 | 0.4 | 170 | 0.7 | 1 | 0.6 | 2 | 0.5 |
| Not Hispanic or Latino | 134 | 53.2 | 17,380 | 71.8 | 94 | 59.1 | 228 | 55.5 |
| Joint (Hisp/Lat /Not Hisp/Lat) | 3 | 1.2 | 195 | 0.8 | 1 | 0.6 | 4 | 1.0 |
| Ethnicity Not Available | 114 | 45.2 | 6,452 | 26.7 | 63 | 39.6 | 177 | 43.1 |
| Total | 252 | 100.0 | 24,197 | 100.0 | 159 | *100.0 | 411 | *100.0 |

Source: 2011 and YTD2012 HMDA LAR, 2011 HMDA Aggregate Data, *Due to rounding off, totals may not add up to 100 percent

The Bank's performance was lower than the 2011 aggregate's performance level for minority applicants. However, the Bank's performance was slightly above the 2011 aggregate's performance for ethnic minorities. YTD2012 showed a slight positive trend for percentage of applications from minority applications but a slight decrease in percentage from Hispanic applicants.

COMMUNITY DEVELOPMENT TEST

The Community Development Test evaluates the Bank's responsiveness to the community development needs of its assessment area through the provision of community development loans, qualified investments, and community development services as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area(s). The Bank's community development performance demonstrates an adequate responsiveness to the community development needs of its assessment area.

Community Development Loans

A community development loan is a loan that: (1) has community development as its primary purpose, (2) has not already been reported or collected by the Bank for consideration under small business or home mortgage lending (unless it is a multifamily dwelling loan), and (3) benefits the Bank's assessment area or a broader statewide or regional area that includes the Bank's assessment area.

During the evaluation period, the Bank originated four community development loans totaling \$1.0 million. During the previous evaluation period, the Bank extended a total of five community development loans totaling \$2.0 million in its assessment area. Table 9 details the qualified community development loans made during the evaluation period.

| Table 9 | | | | | | |
|--|-------------|----------------|-------------------------|--------------|--------------|------------------|
| Qualified Community Development Loans | | | | | | |
| Community Development Category | 2011 | | 1/1/12 – 12/3/12 | | Total | |
| | # | \$ | # | \$ | # | \$ |
| Affordable Housing | 2 | 275,000 | 0 | 0 | 2 | 275,000 |
| Community Services | 1 | 720,000 | 0 | 0 | 1 | 720,000 |
| Economic Development | 0 | 0 | 1 | 5,000 | 1 | 5,000 |
| Total | 3 | 995,000 | 1 | 5,000 | 4 | 1,000,000 |

Source: Internal Bank Records

The following describes the community development loans originated during the evaluation period:

- On March 26, 2011, the Bank originated a \$25,000 line of credit to a local developer to support cash flow for the construction of a 40B housing project in Dover. The project falls under the State of Massachusetts 40B program, which supports affordable housing developments by using flexible rules provided at least 20-25 percent of the units have long-term affordability. Six of the twenty-four housing units are designated as "affordable units."
- On May 27, 2011, the Bank originated a \$720,000 line of credit to a non-profit organization to provide funding to allow for renovations for the future home of their community center. The organization provides support to low- and moderate-income individuals.
- On August 16, 2011, the Bank originated a \$250,000 construction loan to a local developer for the building of a 40B housing project in Dover. Six of the twenty-four housing units are designated as "affordable units."
- On April 24, 2012, the Bank originated a \$5,000 line of credit to an organization whose mission is to promote civic and commercial progress in Dedham, Medfield and Westwood.

The Bank's community development lending performance is marginally satisfactory given the institution's capacity and the need and availability of community development lending opportunities in the Bank's assessment area.

Community Development Investments

A qualified investment is a lawful investment, deposit, donation or grant that has community development as its primary purpose.

The Bank made a limited number and amount of qualified investments in its assessment area, demonstrating a marginal responsiveness to community development needs and opportunities. During the evaluation period, the Bank made \$130,825 in qualified donations.

Qualified Donations

During the evaluation period, the Bank made 33 qualified donations totaling \$130,825. Qualified donations represent 24.0 percent of the Bank's total donations of \$545,921.

| Table 10 Qualified Community Development Grants and Donations | | | | | | | | |
|--|----------------------|------------|-----------|---------------|-------------------|---------------|-----------|----------------|
| Community Development Category | 11-16-10 12-31-10 | | 2011 | | 1-1-12 12-3-12 | | Total | |
| | # | \$ | # | \$ | # | \$ | # | \$ |
| Affordable Housing | 0 | 0 | 6 | 5,750 | 5 | 6,500 | 11 | 12,250 |
| Community Services | 1 | 500 | 7 | 54,350 | 13 | 63,625 | 21 | 118,475 |
| Economic Development | 0 | 0 | 0 | 0 | 1 | 100 | 1 | 100 |
| Total | 1 | 500 | 13 | 60,100 | 19 | 70,225 | 33 | 130,825 |

Source: Internal Bank Records

Examples of organizations to which the Bank made donations include:

- **MetroWest Legal Services** - The mission of this organization is to provide legal advocacy to protect and advance the rights of the poor, elderly, disabled and other disenfranchised people in assisting them in obtaining legal, social and economic justice by providing free legal aid to low-income individuals who would be denied justice without their help.
- **CAN DO** - Citizens for Affordable Housing in Newton is a community based non-profit developer of affordable housing for individuals and families with low and moderate incomes. CAN DO partners with human service organizations to provide residents with support services such as job training, mentoring, childcare and parenting skills training.
- **Needham Community Council (NCC)** – NCC is a private, non-profit organization which supports people in Needham who have under-met health, educational or social needs. The Council runs a variety of programs ranging from a medical equipment loan closet to a food pantry, a thrift shop and flea market.
- **Wellesley A Better Chance** – The mission of this organization is to provide academically talented and promising young women from underserved communities through enrollment at Wellesley High School and participation in a residential program.
- **Cradles to Crayons** – Founded in 2002, this organization provides children from birth through age 12, living in homeless or low-income situations, with essential items they need to thrive at home, at school and at play.

- **Horizons for Homeless Children** – Founded in 1988, this non-profit organization is dedicated to improving the lives of young, homeless children and their families by ensuring they are prepared for school success. They provide high-quality education, opportunities for play and comprehensive family services.

Qualified Community Development Services

A community development service has community development as its primary purpose and is generally related to the provision of financial services or technical services or assistance.

Based on the employees' level of involvement in such activities, the Bank's community development services are reasonable.

Bank Employee Involvement

Officers and employees of the Bank are involved in a number of local community development and non-profit organizations in various capacities. Bank personnel provide these organizations with financial and management expertise while serving as directors, officers, loan committee members, and volunteers. The following is a representative sample of the organizations with which the Bank was involved during the evaluation period. These organizations provide affordable housing, economic development, and other services to the area's low- and moderate-income geographies and residents:

Medfield Affordable Housing Committee – This organization is responsible to manage the town's 40B housing developments and also provides down payment assistance for purchasers of 40B housing. The CEO is the Treasurer.

Southwest Affordable Housing – This organization provides housing assistance to low-income residents. The President and Vice President are Members.

Casa Myrna – This organization provides financial literacy training and housing counseling. A Board Member is the Clerk as well as a Member of the Executive Committee.

Family Promise MetroWest – This organization provides homeless families with shelter, meals and supportive case management as they seek permanent housing. The Vice President/Compliance/CRA Officer is a Board Member and is also on the Finance Committee.

Educational Services and Seminars

Bank officers have participated in seminars and other events sponsored by the Bank during the evaluation period. These events provide opportunities for Bank representatives to inform those in attendance about the products and services offered by the Bank and to gain information about unmet credit needs in the assessment area. The following is a sample of seminars and events performed by the Bank:

- The Bank sponsors a non-profit membership organization that provides leadership, support and advocacy for the business and cultural vitality of their community.
- The Bank co-sponsors a local business association that was established in 1974. The mission of this business organization is to enhance the local business environment for the benefit of the public and private sectors of the community in order to promote and encourage participation in programs and activities beneficial to the business community.

- During the examination period the Bank presented several financial educational seminars at local organizations. Three of these seminars have been held at the Needham Housing Authority and one at the Family Promise Metrowest.
- In 2011 and 2012, the Bank sponsored a non-profit educational technology company to teach, assess and certify students in critical skills including financial literacy, student loan management and other essential subjects at Needham High School, Dedham High School, Medfield Senior High School, Westwood High School, Wellesley Senior High School and Dover-Sherborn High School. The program covers over 600 topics including credit scores, insurance, credit cards, student loans, mortgages, taxes, stocks, savings, 401K's and other critical concepts. Students who successfully complete the course receive a certification in financial literacy.
- The Bank, in sponsorship with the Needham Housing Authority, offers a unique opportunity for the residents of Needham by making individual appointments about subjects that particularly interest residents. Topics include: avoiding bankruptcy, types of loans available, taxes, avoiding banking fees, basic banking, budgeting and balancing accounts and overdrafts, repairing and establishing credit.
- In 2012, the Bank offered a three-week financial education program to households in the Needham Housing Authority. Topics included basic banking, managing checking and savings accounts, credit scores, and how to repair bad credit.

Other Community Services

The Bank participates in the following public and privately sponsored programs that have special features of particular benefit to lower-income consumers:

- The Bank participates in the Interest on Lawyers' Trust Accounts (IOLTA) program. Interest earned on the account is utilized to help fund improvements in the administration of justice and delivery of legal services to low-income clients. Year to date interest as of December 3, 2012 is \$1,563.
- In 2012, the Bank developed a loan product to provide unsecured loans at below market rates to help low- and moderate-income individuals pay off higher interest loans and credit cards. To date, the Bank has originated one loan totaling \$13,300.
- The Bank offers a mortgage product designed exclusively for the first-time homebuyer. The product offers reduced interest rates, low down payment (10 percent), and no private mortgage insurance. During the examination period, the Bank originated six loans totaling \$1.8 million.
- In 2011, the Bank joined the Massachusetts Capital Access Program (CAP) in order to expand its small business lending. CAP is designed to assist small businesses obtain loans for numerous business purposes including start-up costs, equipment purchases, expansion, real estate acquisition, and working capital lines of credits. During the examination period the Bank originated 7 loans totaling \$617,000.

Branch and Service Distribution to Low- and Moderate-Income Areas

As previously mentioned, the Bank's assessment area has no low- or moderate-income census tracts. All of the Bank's branch locations are located in upper-income census tracts.

The Bank is a member of the Money Pass Network and SUM[®], an alliance between many community banks that have agreed not to assess ATM surcharge fees to any of the other member bank's customers. This service is of particular benefit to low- and moderate-income consumers.

APPENDIX A

General Definitions

GEOGRAPHY TERMS

Census Tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Metropolitan Area (MA): One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MAs are composed of cities and towns rather than whole counties.

Metropolitan Statistical Area (MSA): One or more metropolitan areas that have economic and social ties.

Primary Metropolitan Statistical Area (PMSA): A large urbanized county or cluster of counties that demonstrate very strong internal economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

Consolidated Metropolitan Statistical Area (CMSA): The larger area of which PMSAs are component parts.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

HOUSING TERMS

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into “male householder” (a family with a male

householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

INCOME TERMS

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Family Income: Includes the income of all members of a family that are age 15 and older.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of geography.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of geography.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of geography.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

OTHER TERMS

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks at 1063 Great Plain Avenue, Needham, MA 02492."

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.